

Message Text

CONFIDENTIAL

PAGE 01 SOFIA 00070 121458Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 OES-03 ERDA-05 (ISO) W

----- 062711

R 121417Z JAN 76

FM AMEMBASSY SOFIA

TO SECSTATE WASHDC 678

USDOC WASHDC

INFO AMEMBASSY MOSCOW

C O N F I D E N T I A L SOFIA 0070

E.O. 11652: GDS

TAGS: ENRG, BEXP, BU

SUBJECT: NUCLEAR REACTORS FOR BULGARIA; WESTINGHOUSE

REF: A) SOFIA A-4 OF 1/14/75

B) SOFIA 2561

1. REPAIR, WHICH DESCRIBES BULGARIA'S ENERGY INDUSTRY, ALSO CONTAINS EMBASSY COMMENTS ON WESTINGHOUSE NEGOTIATIONS WITH BULGARIA FOR SALE OF NUCLEAR REACTORS WHICH WAS REPORTED REFTEL. COMMENTS RELEVANT TO THOSE NEGOTIATIONS ARE REPEATED BELOW IN INTEREST OF SPEED AND POSSIBLE IMPORTANCE OF SUBJECT. UNNECESSARY WORDS OMITTED.

2. QUOTE:

EMBASSY RECENTLY REPORTED BULGARIAN INQUIRY TO WESTINGHOUSE REGARDING TWO 1000 MEGAWATT CAPACITY PRESSURIZED WATER REACTORS TO BE OPERATING BY 1982. WHILE WE CONTINUE TO AWAIT DEPARTMENT GUIDANCE ON SUBJECT, WE HAVE COME TO CONCLUSION THAT FOR WESTINGHOUSE TO WIN SUCH CONTRACT IS HIGHLY UNLIKELY. IN FACT, WESTINGHOUSE MAY NOT ONLY BE WASTING ITS TIME BUT ALSO RISKING EXCLUSIVITY OF ITS TECHNOLOGY.

3. WHILE BULGARIA HAS HAD RECORD OF RESPECTING PATENTS AND PROTECTING INDUSTRIAL SECRETS ONCE CONTRACT HAS BEEN SIGNED, IT ALSO HAS HISTORY OF CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SOFIA 00070 121458Z

TRYING TO OBTAIN TECHNICAL INFORMATION FOR FREE, AND

QUESTIONS OF PROPRIETY HAVE BEEN RAISED. GENERAL MOTORS REP REVEALED RECENTLY THAT AVTOPROM (STATE ENTERPRISE FOR VEHICLE PRODUCTION), AFTER HAVING INVITED GM TO HOLD DISCUSSIONS ON SPECIFIC TECHNICAL PROCESS, ANNOUNCED PUBLICLY TEN DAYS LATER SIGNING OF A CONTRACT WITH SOVIET UNION FOR THAT SAME GENERAL PROCESS. MORE EGREGIOUS EXAMPLE THAN THAT, HOWEVER, WAS REPORTED BY FINNISH EMBASSY IN SUMMER OF 1975.

4. AT THAT TIME FINNISH GOVERNMENT ALONG WITH FINNISH INDUSTRY WAS NEGOTIATING WITH BULGARIA ON SALE OF LARGE (ESTIMATED \$200 MILLION) PAPER PRODUCTION COMPLEX IN SILISTRA, AND IN SUPPORT OF THEIR BID FINNS HAD PREPARED TECHNICAL SPECIFICATIONS IN A REPORT PERHAPS EIGHT INCHES THICK, INCLUDING COMPLETE DESIGN WORK AND INFORMATION THEY CONSIDERED TO BE INDUSTRIAL SECRETS. FOLLOWING COMPLETION OF TECHNICAL NEGOTIATIONS (AND JUST PRIOR TO COMMERCIAL NEGOTIATIONS) FINNS WERE STUNNED TO READ IN THE NEWSPAPERS THAT THIS CONTRACT WAS GIVEN TO SOVIET UNION. WORSE STILL, FINNS DISCOVERED THAT COMPLETE TECHNICAL REPORT HAD BEEN GIVEN TO SOVIETS WITHOUT PERMISSION AND WITH NO COMPENSATION OFFERED IN RETURN. LESSON IS OBVIOUS.

5. EMBASSY WISHES EMPHASIZE THAT IT IS VERY MUCH INTERESTED IN ENCOURAGING EXPORTS TO BULGARIA INCLUDING ADVANCED U.S. TECHNOLOGY. NONETHELESS, ENERGY INDUSTRY IS HISTORICALLY ALMOST TOTALLY TIED TO U.S.S.R. AND OTHER CEMA COUNTRIES, AND APPARENTLY BULGARIANS ARE CAPABLE OF NEGOTIATING IN BAD FAITH. ENERGY SHORTAGES MIGHT ENCOURAGE BULGARIA TO LOOK TO WEST FOR LARGER REACTORS, BUT AT SAME TIME INCREASINGLY LARGE TRADE DEFICITS COMPOUND SCARCITY OF HARD CURRENCY, MAKING BULGARIA LESS ABLE AFFORD SUCH REACTORS. IN SUM WE FEEL ANY U.S. FIRM PLANNING TO BID ON CONSTRUCTION OF NUCLEAR PLANS IN BULGARIA WOULD BE WELL ADVISED PROCEED WITH GREAT CAUTION, PARTICULARLY IN RELEASING ANY SENSITIVE INFORMATION DURING COURSE OF DISCUSSION. EMBASSY OFFICERS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SOFIA 00070 121458Z

STRESSED THESE POINTS IN DISCUSSIONS WITH WESTINGHOUSE REPRESENTATIVES, BUT BELIEVE THEY SHOULD BE REITERATED AS SUITABLE OPPORTUNITIES ARISE.

UNQUOTE.

HERZ

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR REACTORS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ullricre
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SOFIA00070
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760010-1049
From: SOFIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760165/aaaacgfp.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 SOFIA A-4
Review Action: RELEASED, APPROVED
Review Authority: ullricre
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2004 by BoyleJA>; APPROVED <30 JUL 2004 by ullricre>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR REACTORS FOR BULGARIA; WESTINGHOUSE
TAGS: ENRG, BEXP, BU, WESTINGHOUSE
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006